



Department of Employee Relations

May 4, 2020

**Tom Barrett**  
Mayor

**Maria Monteagudo**  
Director

**Renee Joos**  
Employee Benefits Director

**Nicole Fleck**  
Labor Negotiator

Memorandum

To : Department Heads and Personnel Officers

From : Maria Monteagudo, Employee Relations Director

Re : Department Communication regarding Furloughs/Work-Share Plans for City employees

Information regarding recommendations to implement furloughs and reduction of work hours for some general city employees will be made to the Finance and Personnel Committee of the Common Council at the May 6<sup>th</sup> meeting. In an effort to ensure that employees impacted by such decisions receive timely and accurate information, the following summary has been prepared. Please use this information when communicating with your employees starting today. While this memorandum provides general information, you will need to provide additional information to individual employees about how your department's workshare plan affects each one.

**Reason for Implementation of Furloughs and Reduction of Hours**

*The City's Budget and Management Director has estimated the lost revenues associated with the response to COVID-19 to be approximately \$26.5 million for the period covering March to August of this year. Suspension of functions and service adjustments will continue to have an impact on the City's financial position. The length of the pandemic and the resulting economic slowdown, although difficult to project, will create long term fiscal challenges for the City. The measures recommended to the CC represent initial interventions being pursued to minimize implementation of City-wide mandatory furloughs, layoffs and/or permanent reductions in services.*

**Framework for work hour reduction**

*Last week, City department heads were directed to create plans that reduce expenditures for wages and salaries. Employee salary savings will help offset some of the significant revenue loss the City is facing, because the federal CARES Act (also known as the \$2 trillion stimulus legislation) allows the City to recover the cost of unemployment benefits paid as a result of furloughs and reduced work hours. This reimbursement will also assist the City to close the gap given anticipated lost revenues.*

*At the same time, the CARES Act provides a unique opportunity for the City to reduce work hours with only a very minimal impact on the finances of City employees. Through expanded unemployment benefits and the availability of an additional Federal Pandemic*

*Unemployment Compensation (FPUC) weekly benefit of \$600, employees who are being furloughed or whose hours will be reduced will see unemployment weekly benefits that will match or exceed their weekly salary. The benefit expires at the end of July. Furloughs reduced work schedules are not anticipated to extend beyond the expiration of the \$600 weekly FPUC benefit.*

*The Common Council must approve the implementation of furloughs and reduced work hours. Following the May 6<sup>th</sup> special meeting of the Finance and Personnel Committee, the full Council will meet on Friday, May 8<sup>th</sup> to consider Mayor Barrett's recommendations.*

### **Determination of employee furloughs and reduced work hours**

*Departments that are not dedicated to the mitigation and response to the COVID-19 emergency have been asked to identify employees who are not able to telework and their functions do not require them to report in person while the city is under the Governor's Safer-At-Home order. Departments were also asked to identify functions or services that can be temporarily suspended or reduced without severely impacting critical City services needed by residents.*

*Decisions to furlough employees were based on their ability to work and salary considerations. Decisions to reduce work hours were made in accordance with provisions of the Department of Workforce Development Work-Share Program. This program allows the City to reduce work hours by 10% but no more than 60% instead of laying off or furloughing workers and allows employees with reduced work hours to receive unemployment benefits that are pro-rated for the partial work reduction.*

*Employees who believe that their unemployment eligibility will be impacted by income from a secondary job, should immediately inform the Personnel Officer from their department for a possible reconsideration of being furloughed or placed in a workshare plan.*

### **Impact of furloughs and reduced work hours on benefits**

*Employees who are affected by their department's work hour reduction plan will remain enrolled in and have access to important benefit coverage including health and dental insurance, onsite clinic services, and wellness programs. Time off the payroll for employees as a result of the implementation of furloughs and reduced hours will not impact service credit for sick leave, vacation, or pension purposes. An FAQ document has been developed and posted summarizing critical information for employees.*

### **Unemployment benefits and time table**

*All employees who are furloughed or having reduced hours will need to apply for Wisconsin unemployment insurance. DER is working with the Wisconsin Department of Workforce Development (DWD) to coordinate training for City human resources staff on how to help employees navigate the process of filing claims. We are also working with the City's unemployment third party administrator to ensure that the data in their system is current so when an employee files a claim with the State, the third party administrator*

*will be able to respond to the claim without the need to obtain additional information from the City.*

**Re-deployment opportunities within the Milwaukee Health Department**

*Employees who can be re-deployed to the Milwaukee Health Department to support COVID-19 mitigation and response are being identified based on a workforce re-deployment plan being developed by MHD and DER. Such employees will be transferred from their current assignments or “recalled” from furlough status as necessary. Payroll charges stemming from those reassignments may also be reimbursed under the CARES Act.*